

Domestic Fundamentals:

Market Outlook: Cotton spot markets mostly noticed weak tone on Tuesday.

In The News: According to the official figures, cotton has been sown on 123.17 lakh hectares as on October 13, 2017 across the country compared to 103.69 lakh hectares during the same period previous year.

Heavy rain in the major cotton growing region of India (Maharashtra, Gujarat, M.P, Andhra Pradesh, Telanagana & Karnataka) had adversely affected cotton sowing and arrivals into the country.

The Cotton Association of India (CAI) predicted India to produce 375 lakh bales of cotton in 2017-18.

In its first advance estimate, the agriculture ministry of India projected the country to produce 32.3 million bales of cotton in 2017-18 which is 2.12% lower than the cotton produced last year in 2016-17.

On the back of favorable weather conditions and lucrative expected returns, rating agency, ICRA projected India to produce 36 million bales of cotton in 2018, up by 6 per cent from the previous year.

The Indian govt. had increased cotton MSP (Minimum Support Price) for long staple cotton from Rs 4,160/quintal in 2016-17 to Rs 4,320/quintal in 2017-18.

As per the latest report published by USDA, India is expected to produce 6.09 million Tonnes of cotton in 2017-18 which is 5.7% higher than the cotton produced last year in 2016-17.

The sale of cotton seeds has picked up with sowing going on in full swing in the states of Punjab, Haryana, Rajasthan and some parts of Karnataka. According to the National Seeds Association of India (NSAI), cotton seed sales are likely to cross 5.5 to 6.5 lakh packs (each of 450 gms) this season.

Farmers are likely to increase the area under cotton amid expectation of good monsoon this season and higher price of cotton during the previous season, farmers. According to initial projections by the Central Institute of Cotton Research, Nagpur, the cotton area sown would be around 6 lakh hectares in Haryana (compared to 4.98 lakh hectares during 2016-17) and 4 lakh hectare in Punjab (compared to 2.56 lakh hectares in 2016-17).

The Indian Council of Agricultural Research (ICAR)- Central Institute of Cotton Research (CICR) predicted India's cotton acreage area to rise by 7-10 per cent this year (2017-18) from 105 lakh hectares of land brought under cotton cultivation last year i.e. 2016-17.

The govt. of India targeted a cotton crop production of 14.40 million bales in 2017-18 compared to the target of 14.1 million bales of production in 2016-17.

International Fundamentals:

On the back of a higher production estimate in India & U.S, the International Cotton Advisory Committee (ICAC) projected world's cotton output to rise by 10% to 25.5 million tonnes in 2017-18 (01st October, 2017 -30th September, 2018).

On the other hand, world' cotton consumption is expected to increase by 2.7% from 24.56 MMT in 2016-17 to 25.22 MMT in 2017-18. Wherein, China, the world's largest cotton consumer, is expected to consume 8.1 MMT of cotton during 2017-18 which is 1.5% higher than its cotton consumption last year.

ICAC also projected cotton export of 3.1 MMT from U.S (which is the largest cotton exporter in the world) and an import of 1.4 MMT by Bangladesh in 2017-18.

As per the latest USDA report, global cotton production is expected to rise by 8.25% from 23.08 million tonnes in 2016-17 to 24.98 million tonnes in 2017-18; wherein China, U.S , Pakistan and Brazil are expected to produce 5.23 million tonnes, 4.18 million tonnes, 2.03 million tonnes and 1.52 million tonnes of cotton respectively in 2017-18.

NCDEX Kapas Futures*: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Cont. (C1)	3	860	865.00	859.00	860	1,628	-850	6796	43

Spread	Cont (C1)		
Spot	145	-	-
	-	-	-

Updated at 04:20 pm as on 17-Oct 2017

MCX Cotton Futures*: (Prices in Rs/170 kgs)

Contract	+/-	Open	High	Low	Close	Volume	Change	OI	Change
Oct-17	40	18700.00	18760.00	18670.00	18680.00	244	-292	1602	-157
Nov-17	-20	18070.00	18250.00	18000.00	18080.00	330	-217	2817	50

Spread	Oct-17	Nov-17	-	-	--	--
Spot		600		-	-	-
Oct-17				-	-	-

(NB: Spread Basis = Spot- Near Month Future)

* Updated at 04:20 pm as on 17-Oct 2017

DOMESTIC PRICES AND ARRIVALS

Cotton Prices at Key Spot Markets:

Commodity	Kapas		Prices (Rs./Quintal)		Change
State	Centre	Variety	17-Oct-17	16-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	4750	-
	Gondal	Shankar-6	4855	4855	Unch
	Rajkot	B.T. Cotton	4700	4825	-125
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	4700	4700	Unch
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton (New Crop)	4725	4800	-75
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	4650	4700	-50
	Fatehabad	B.T. Cotton	4720	4760	-40
	Jind	B.T. Cotton	4825	4825	Unch
	Uchana	B.T. Cotton	4680	4780	-100
	Dabwali	B.T. Cotton	4625	4585	40
Rajasthan	Hanumangarh	B.T. Cotton	Closed	4700	-
	Rawatsar	B.T. Cotton	Closed	4580	-
Madhya Pradesh	Khandwa	Mech-1	Closed	4400	-
	Khargaon	Mech-1	4755	4750	5
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	5800	NR	-
	Hathras	Desi	4750	NR	-
Telangana	Adilabad	Un-Ginned	4550	4580	-30
Andhra Pradesh	Guntur	Un-Ginned	4400	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	4320	4320	Unch
Karnataka	Bijapur	Bunny	5019	5189	-170
	Hubli	D.C.H.	NA	4600	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	4200	4130	70
Commodity	Lint		Prices (Rs./Maund)		Change
State	Centre	Variety	17-Oct-17	16-Oct-17	
Punjab	Bhatinda	J-34	3815	3835	-20
	Bohar	J-34	3815	3840	-25

	Mansa	J-34	3810	3835	-25
	Muktsar	J-34	NR	NR	-
	Fazilika	J-34	NR	NR	-
Haryana	Sirsa	J-34	3850	3880	-30
Rajasthan	Sri-Ganganagar	J-34	NR	3610	-

Cotton Arrivals in Key Centers:

Commodity	Kapas		Arrivals (Quintal)		Change
State	Centre	Variety	17-Oct-17	16-Oct-17	
Gujarat	Ahmedabad	Shankar-6	Closed	25500	-
	Gondal	Shankar-6	678	1166	-488
	Rajkot	B.T. Cotton	2900	2600	300
	Patan	B.T. Cotton	Closed	Closed	-
	Kadi	B.T. Cotton	12500	12500	Unch
	Deesa	B.T. Cotton	Closed	Closed	-
	Dhrol	B.T. Cotton	Closed	Closed	-
Punjab	Fazilika	B.T. Cotton	NR	NR	-
	Muktsar	B.T. Cotton	NR	NR	-
Haryana	Bhiwani	B.T. Cotton	3000	2000	1000
	Bhiwani	Desi	NA	NA	-
	Adampur	B.T. Cotton	3400	510	2890
	Fatehabad	B.T. Cotton	600	600	Unch
	Jind	B.T. Cotton	1530	1105	425
	Uchana	B.T. Cotton	3500	3000	500
	Dabwali	B.T. Cotton	1250	1800	-550
Rajasthan	Hanumangarh	B.T. Cotton	Closed	5000	-
	Rawatsar	B.T. Cotton	Closed	2000	-
Madhya Pradesh	Khandwa	Mech-1	Closed	300	-
	Khargaon	Mech-1	9870	7140	2730
Maharashtra	Amravati	Mech-1	NA	NA	-
	Jamner	Medium Staple	NA	NA	-
Uttar Pradesh	Hathras	B.T. Cotton	150	NR	-
	Hathras	Desi	80	NR	-
Telangana	Adilabad	Un-Ginned	NA	NA	-
Andhra Pradesh	Guntur	Un-Ginned	170	NA	-
	Kurnool	Un-Ginned	NA	NA	-
	Krishna	Un-Ginned	NA	NA	-
	East Godavari	Un-Ginned	NA	NA	-
Karnataka	Bijapur	Bunny	517	1007	-490
	Hubli	D.C.H.	NA	8	-
	Hubli	B.T. Cotton	NA	NA	-
	Raichur	H-44 Cotton	1327	1680	-353
Commodity	Lint		Arrivals (Quintal)		Change

State	Centre	Variety	17-Oct-17	16-Oct-17	
Punjab	Bhatinda	J-34	8500	7650	850
	Abohar	J-34	2210	1020	1190
	Mansa	J-34	680	340	340
Haryana	Sirsa	J-34	850	680	170
Rajasthan	Sri-Ganganagar	J-34	NR	500	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy	Rs. Per Candy	Change
				16-Oct-17	14-Oct-17	
Bengal Deshi (RG)/Assam Comilla (101)	Below 22mm	5.0 - 7.0	15	39900	40000	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40900	41000	-100
J-34(202)	26mm	3.5 - 4.9	23	35600	35900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38500	38500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38900	39000	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	41000	41300	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	42700	43000	-300
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50500	-500

Cotton Seed Oil Prices
Refined Cotton Seed Oil at Key Centers:

Centre	Unit	Price		Change
		17-Oct-17	16-Oct-17	
Rajkot	Rs. /10 Kg.	640	640	Unch
New Delhi	Rs. /10 Kg.	635	635	Unch
Hyderabad	Rs. /10 Kg.	650	650	Unch
Mumbai	Rs. /10 Kg.	682	682	Unch

Cotton Seed Oil Seed Cake Prices
Cotton Seed Oil Cake Prices at Key Centers:

Centre	Unit	Price		Change
		17-Oct-17	16-Oct-17	
Mahesana (Kadi)	Rs./Qtl	1443	1486	-43
Akola	Rs./Qtl	1450	1455	-5

INTERNATIONAL PRICES AND INDICES
China Cotton Index: As on 17-October-2017

Index	RMB/Ton	Change
CCIndex(328)	15999	1

CCIndex(527)	14928	2
CCIndex(229)	16487	5
RMB -Renminbi, 1RMB =0.16 \$U.S.		

China Foreign Cotton (FCE) Index : As on 17-October-2017

Index	Cents/lb	Change
FC Index (S)	82.02	-0.92
FC Index (M)	77.86	-0.99
FC Index (L)	75.70	-0.96

Cotlook Index: As on 16-October-2017

Cotlook Indices	Cents/Pound	Change
A-Index	78.50	0.80

USDA Cotton Spot Rates: As on 16-October-2017

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		Bales
Southeast	68.28	69.53	NIL
North Delta	67.53	68.78	NIL
South Delta	67.53	68.78	NIL
East TX-OK	65.75	67.25	1517
West Texas	65.25	66.75	NIL
Desert SW	62.28	66.28	NIL
SJ Valley	63.28	72.18	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

ICE Cotton Futures (Prices in cents/lb.): Ason 16-October-2017

Contract	Open	High	Low	Close	Change
Dec-17	68.54	68.88	67.53	67.53	-1.09
Mar-18	68.01	68.40	67.29	67.32	-0.84
May-18	68.96	69.17	68.14	68.16	-0.81
Jul-18	69.69	69.73	68.76	68.77	-0.82
Oct-18	67.46	67.46	67.46	67.46	-0.74
Dec-18	68.65	68.67	67.75	67.81	-0.71

Pakistan Cotton Spot rates: As on 16-October-2017				(in Pakistan Rupees)
Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	145	6245
Equivalent	40 Kgs	6537	155	6692

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